

United States Senate

WASHINGTON, DC 20510

January 24, 2002

Dr. Jeanette Chirico-Post
Director, VISN 1
VA New England Healthcare System (10N1)
Network Office Building 61
200 Springs Road
Bedford, MA 01730

Dear Dr. Post,

We are writing to urge you to request \$40 million in fiscal year 2002 supplemental funding from the Veterans' Administration to meet the shortfalls in VISN 1's operating budget. This funding is vital in order to ensure that none of the services provided to veterans in New England will be eliminated or reduced in the current fiscal year.

We commend your recent success in instituting efficiencies throughout VISN 1 that have enabled the network to provide greater access to quality health care for veterans. But, we also know that VISN 1 has experienced an unprecedented expansion of demand for services, and this demand has created additional strain on the network's limited resources.

As you are well aware, the 14.7% increase in the number of new veterans utilizing VA services in New England in fiscal year 2001 will not be reflected in the VERA allocation for VISN 1 until the fiscal year 2004 budget. In partial recognition of this problem, the Veterans' Administration has already increased VISN 1's budget allocation for this fiscal year by \$41 million. We are pleased by this necessary action, but remain very concerned that the remaining \$40 million shortfall cannot be allowed to be met solely through additional efficiencies. The fiscal year 2002 shortfall in VISN 1's operating budget must not be met through the reduction of services to veterans throughout the network.

We are also concerned that the VISN has underestimated the shortfall. Some of the savings and reimbursement assumptions in VISN 1's fiscal year 2002 budget will be very difficult to realize. In fiscal year 2001, the network's budget reflected an expectation that it would collect \$33 million in medical care cost funds. We were pleased that the VISN actually collected \$36 million for the year. But, in this fiscal year, the network is expected to collect \$51 million in these third-party reimbursements, a more than 50 per cent increase. We welcome the network's increasing effectiveness in achieving these goals, but these vital services for New England's veterans should not depend on the VISN's achievement of this increase in revenue. Any shortfall in meeting these anticipated collections would add to the network's overall budget deficit and place further strain on already limited resources.

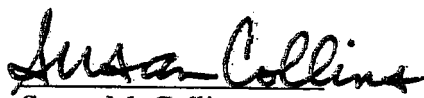
We are certain that VISN 1 will continue to do all it can to become more efficient and increase the number of veterans who choose to use the VA. But an operating budget shortfall of \$40 million or more cannot be absorbed within the current budget without jeopardizing the services to which veterans are entitled. We fully understand that until the shortcomings of the VERA allocation process can be remedied, even the most efficient management of VISN 1 will likely continue under very difficult budgetary constraints. In recognition of this fact, we strongly urge you to request no less than \$40 million from the VA in supplemental funding for fiscal year 2002. This funding is absolutely necessary to ensure that New England's veterans will receive the quality care they deserve.

We look forward to hearing from you soon. Thank you for your prompt attention to this urgent matter.


With respect and appreciation,

Sincerely,


Edward M. Kennedy
United States Senator

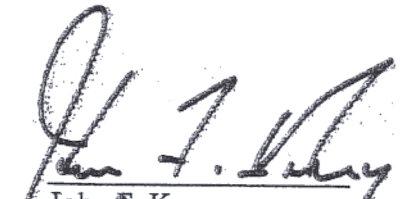

Susan M. Collins
United States Senator

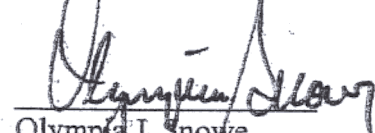

Judd Gregg
United States Senator



Christopher J. Dodd
United States Senator

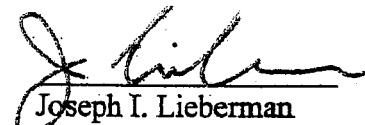

Lincoln D. Chafee
United States Senator

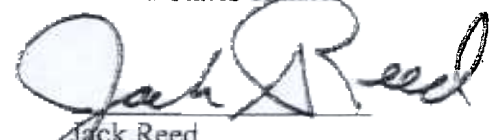

Jim M. Jeffords
United States Senator

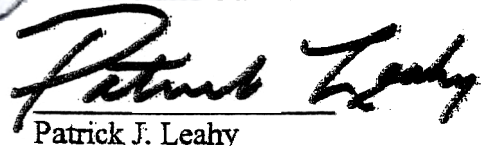

John F. Kerry
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Olympia J. Snowe
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Thomas H. Allen
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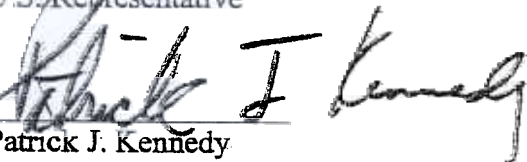
Charles F. Bass
U.S. Representative



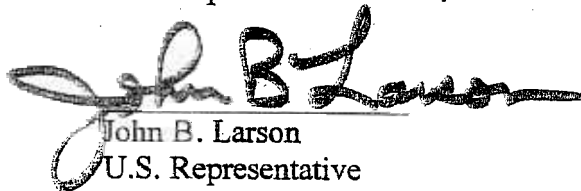
William D. Delahunt
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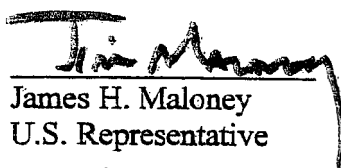
Barney Frank
U.S. Representative



Patrick J. Kennedy
U.S. Representative



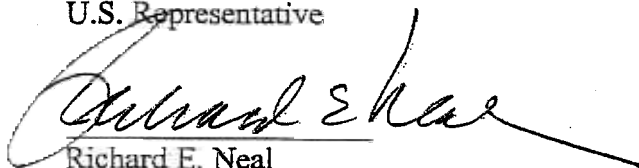
John B. Larson
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James H. Maloney
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Martin T. Meehan
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Richard E. Neal
U.S. Representative



John E. Baidacci
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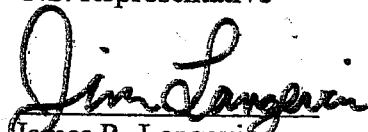
Michael E. Capuano
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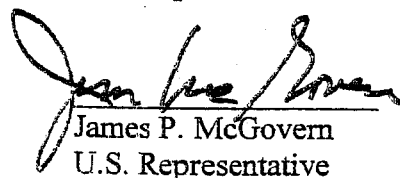
Rosa L. DeLauro
U.S. Representative



Nancy L. Johnson
U.S. Representative



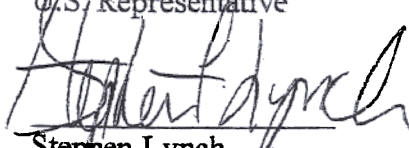
James R. Langevin
U.S. Representative



James P. McGovern
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Edward J. Markey
U.S. Representative



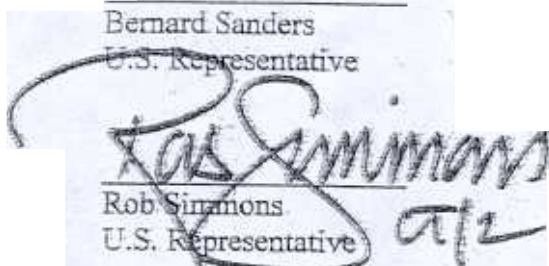
Stephen Lynch
U.S. Representative



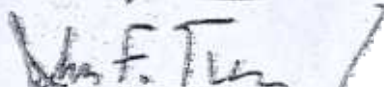
John W. Olver
U.S. Representative




Bernard Sanders
U.S. Representative



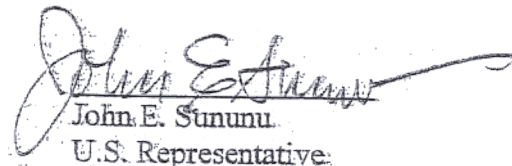
Rob Simmons
U.S. Representative



John F. Tierney
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Christopher Shays
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